

Utility executives in Africa poised to spend billions, and fast

USTDA's Zak describes opportunities for US tech firms

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The Nigerian and South African utility executives who visited over two dozen organizations working on the smart grid in the US in the last few weeks will be spending about \$800 million and \$11 billion, respectively, over the next decade, US Trade & Development Agency (USTDA) Director Leocadia Zak told us yesterday. The Nigerian delegation will be making decisions immediately.

"They already have been in contact with some of the people they met" on the reverse trade mission. "They only have a commitment of five years, so they are on a very tight timeframe. They're looking to implement almost immediately."

That translates to choosing technology this year, she added.

A group of senior leaders from four Nigerian distribution utilities met with the DC PSC, GE Energy, IBM, Itron, Northern Virginia Electric Cooperative, PEPCO, Schweitzer Engineering, UTC and ABB's Ventyx. They reported that when they took part in the recent privatization of 11 power distribution firms in their nation, they agreed to cut losses by at least 50%.

"When they went into those transactions, they believed that the loss rate was about 30-50%," Zak told attendees of the inaugural SGIP conference in South Florida this month. "Now that they are the operators of these facilities, what they discovered is the losses are more like 50-70%."

Now, "they are really thirsty to find solutions to these losses," Zak added.

The Nigerian executives traveled to the US "because they really believe the United States is a leader" in smart grid and they will get a lot for their money in the US, said Zak, whom *Smart Grid Today* named one of the [50 Smart Grid Pioneers of 2013](#).

QUOTABLE: Our partners in Nigeria are not alone. There are plenty of project sponsors facing similar circumstances in high growth markets around the world. Electric utilities in emerging markets are facing both significant losses and tighter emissions standards. –
USTDA Director Leocadia Zak

"Many foreign governments are developing plans to build smarter, cleaner and more integrated cities. Some of these plans will leapfrog over current structures to adopt the latest technologies.

"Other countries are making significant investments to improve existing infrastructure including transmission and distribution systems."

Eskom meets with many

Last week, a delegation from Eskom, South Africa's "major utility," visited executives at ABB, Areva, Austin Energy, Black & Veatch, the California Energy Commission, the California ISO, Clean Line Energy, ERCOT, First Solar, Lower Colorado River Authority, NREL, the Sacramento Municipal Utility District, San Diego Gas & Electric, Tucson Electric Power and the Western Area Power Administration, Zak said.

"We first met with them in South Africa," and the fact that they met with big technology firms and regulators in the US "truly shows their commitment to working with United States," Zak said. USTDA is helping South Africa study renewables (SGT, [Sept-18](#)), and last week's event was titled "Renewable energy grid integration study tour."

"Eskom, in particular, has many needs," Zak noted. Eskom plans to spend over \$150 billion on power infrastructure over the 2010-2030 timeframe, including \$11 billion on transmission-sector reliability alone over the next 10 years, she added.

The utility's executives want to be regional leaders and Zak sees that as "a great opportunity for US businesses." Eskom executives will work to conduct pilots and apply what they learn about smart grid development to neighboring utilities.

Istanbul, Bogotá beckon

USTDA is cultivating Turkish electric utilities as customers for US smart grid tech firms and in December will host its second workshop in Istanbul, said Zak, this one to foster technical exchanges between US businesses and Turkish distribution firms. The latter plan to invest over \$5 billion in their power grids in the coming years, she told conference attendees.

USTDA held its first meeting with utilities in Turkey's cultural capital early this year. The Electricity Distribution Services Assn (ELDER), a group of 21 Turkish distribution firms, co-sponsored that event and representatives from all 21 firms were present, Zak said.

USTDA is set to host "a broader smart grid conference in Bogotá, Colombia, in February," she added.

The agency has been pushing US smart grid technology in Ghana and Vietnam, too (SGT, [March-1](#)).

\$16 billion to be spent in Africa

President Barack Obama's Power Africa initiative (SGT, [July-3](#)), which Zak helped the administration kick off in Tanzania, is alluring for US tech firms since \$16 billion in public and private funds are committed to it, Zak said.

All in all, the global T&D market is expected to reach "nearly \$500 billion over the next seven years," she added, and the Asia-Pacific market is particularly hot.

"I can assure you that your foreign competitors are already developing inroads in these markets," she said, at the conference. "I would hate to see the US show up in five years or even in one year, only to discover that non-US technology is already in operation in these markets."

Zak envisioned the 2018 SGIP conference "taking place in Istanbul or Johannesburg," she said. "I would love to hear that companies from the US that are here today [at the SGIP conference] formed partnerships that enabled them to become technology providers in these markets."

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